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Lower Heating Fuel Prices + Warmer Temps = Savings for Mainers this Season

Augusta, Maine – The Governor's Energy Office (GEO) conducted its weekly heating fuel price survey on Monday, December 14, 2015, and found the current statewide average cash price for No. 2 heating oil was **\$1.92 per gallon**, down another five cents since last week. The average kerosene price declined six cents, to \$2.50 per gallon, while the average statewide propane price rose a cent to \$2.21 a gallon. Mainers have not seen prices this low since the fall/winter of 2004-2005.

While the tumble in global oil prices dominates the headlines, it is only part of the story for Maine families this heating season. The warmer weather we have been experiencing also impacts the prices residents are paying; the warmer the weather, the lower the demand for fuel. This also puts downward pressure on prices.

How much warmer has it been this heating season? Heating Degree Days (hdd), a measure of heating demand, have been much lower this year. Below is a table illustrating how this heating season compares to last year, as well as the 30-year average.

Heating Degree Days (hdd) in Maine, July to Mid-December, 2015*

City	HDD 7 1 15 through 12 12 15	Deviation from 30 year normal (hdd)	Deviation from 30 year normal (percent)	Deviation from last year (hdd)	Deviation from last year (percent)
Augusta	1710	-235	-12	-247	-13
Bangor	1859	-198	-10	-187	-9
Caribou	2228	-545	-20	-286	-11
Houlton	2226	-467	-17	-241	-10
Portland	1575	-402	-20	-147	-9

**NOAA Climate Prediction Center*

For example, Bangor has seen 10 percent fewer heating degree days than average, and 9 percent fewer than last year. Portland, to date, has seen 20 percent fewer heating degree days than average, and 9 percent fewer than last year. The lower the number of heating degree days, generally the less fuel needed to heat a building. So Mainers have been enjoying lower heating bills for two reasons- low prices and milder weather.

Using this week's average heating oil price (\$1.92), and converting to a common heating unit value (million Btu), the price of fuel oil is \$13.84. This compares with an equivalent heating unit value for natural gas of \$15.72 (at \$1.57/therm); propane, \$24.20 (at \$2.21/gallon); kerosene \$18.52 (at \$2.50/gallon); wood pellets, \$15.58 (at \$258/ton); cord wood, \$11.36 (at \$250/cord) and electricity (electric baseboard), \$38.10 to \$55.69 (at 13-19 cents per kwh).

However, fuel prices are only part of the calculation when determining which fuel will save you more this heating season. The type of heating system, as well as its efficiency, needs to be factored into the estimate. For example, the electricity cost is for traditional baseboard heat. Other electric heating technologies, such as heat pumps and electric thermal storage (ETS), may offer consumers energy savings. Cold climate heat pumps are much more efficient than baseboard electric heat, so total energy costs are lower than other types of heating fuels. ETS offers savings by utilizing off-peak electric rates, available in many areas of the state.

The Energy Office has a calculator on its web site that allows consumers to obtain more detailed estimates of home heating costs, and the price impacts of various types of fuel, heating systems and heating appliances. Heating costs vary considerably from home to home. The home heating calculator can assist homeowners in finding the best heating option for their home, location, lifestyle, and budget <http://www.maine.gov/energy/index.html>. Efficiency Maine also has a calculator on its website that can help consumers evaluate their heating options <http://www.efficiencymaine.com/at-home/home-energy-savings-program/heating-cost-comparison/>

As of December 14, 2015

Heating Oil	Statewide	Southwest	Central	Eastern	Western	Northern
Average	1.92	1.89	1.98	1.88	1.90	2.07
High	2.19	2.19	2.15	2.05	2.05	2.10
Low	1.60	1.60	1.65	1.60	1.60	2.00
Kerosene	2.50	2.64	2.47	2.41	2.46	2.47
Propane	2.21	2.21	2.10	2.17	2.33	2.34

The price for heating oil is a statewide average; prices in a given geographic region of the state may be considerably higher or lower than this average. This week, within the Energy Office sample, the highest heating oil price (\$2.19) was found in one region in the state, and the lowest heating oil price (\$1.60) was found in three regions. Also, the statewide average price for propane is **based on a use of at least 900 gallons a year**. Households using propane just for cooking or hot water generally pay a higher per gallon price. The table above provides current Maine cash prices in dollars rounded to the nearest penny.